(C O P Y)

Hotel Lenox, Boston, March 29. 1916.

Hon. S. F. Leib,

San Jose, Cal.

My dear Sir:

I received your letter of 22nd late Monday (27th) P. M. and had just time to get the 4 P. M. train to New Haven and wiring you that the matter should be fixed to your entire satisfaction. I have just returned from there and now enclose a Certificate of the Purchasing Company. (in same form as the previous one of 2000 shs.) covering the 777 shares which she gave to Mr. Bennett and myself in October, 1915. These two certificates cover the whole of her holdings and fully meet the requirements of the fourth clause of your letter. Should you think anything further required we will endeavor to meet your views if possible.
In order that you may fully understand the situation as it stands at present, I also enclose copies of instructions from the Purchasing Co. and Mr. Bennett to the Union and New Haven Trust Co., and the letter of the said Trust Co. to Kidder, Peabody & Co. of New York, which two letters show the disposition of the stock of Mrs. Winchester as well as of Mrs. Bennett's at the present time. I trust the same will meet with your approval, and am glad that Mrs. W. has consulted you in the matter.
It is of course unnecessary to say that the longer document is strictly confidential to you and Mrs. W.

I can assure you that Mrs. Winchester's interests will be looked after ~~x~~ with the same care as Mrs. Bennett's.

Yours very truly,

A. W. HOOPER.

(C O P Y)

No. 16A. No. of Shares 777.

This certifies that the undersigned, The Winchester Purchasing Company, has received from and holds as trustee for S. L. Winchester, of Menlo Park, California, 777 shares of the capital stock of the Winchester Repeating Arms Company, represented by certificate No. 2198 in the name of said The Winchester Purchasing Company as trustee, and the said The Winchester Purchasing Company hereby promises to assign, convey and transfer to said S. L. Winchester, or to her executors, administrators or assigns, said shares of the said capital stock of the Winchester Repeating Arms Company when a final disposition of all the stock of the said Winchester Repeating Arms Company held by the said The Winchester Purchasing Company shall be made by the said The Winchester Purchasing Company, or when the said The Winchester Purchasing Company is dissolved or wound up; and in the meantime the said The Winchester Purchasing Company hereby agrees to cause all dividends made upon said shares of stock, or division of profits or assets made in respect to said number of shares of said stock by the said Winchester Repeating Arms Company to be paid by said company to said S. L. Winchester, or to any person designated by her.

Upon surrender or cancellation of this certificate the undersigned The Winchester Purchasing Company, will, at the request of the owner hereof, issue in place of this certificate a substituted certificate or certificates similar in substance and form to and in the name of any person or persons in respect to any part, or the whole number of shares of the Winchester Repeating Arms Company above specified.

Dated at New Haven this 28th day of March, 1916.

WINCHESTER PURCHASING CO.

By A. W. Hooper, V. Pres.

Approved

Victor Morris Tyler, President.

(COPY)

The Union & New Haven Trust Company,

New Haven, Conn., Feb. 21st, 1916.

Messrs. Kidder, Peabody & Co.,

17 Wall St.,

New York, N. Y.

Dear Sirs:

We have this day received from Thomas G. Bennett and the Winchester Purchasing Co. a Letter of Instruction together with certificates for 5679 shares of the stock of the Winchester Repeating Arms Co. as described in said Letter of Instruction.

We have formally acknowledged the receipt of said certificates at the foot of said Letter of Instruction and enclose the letter herewith.

Yours very truly,

W. P. CURTISS,

Treasurer.

(C O P Y)

The Union & New Haven Trust Company,
New Haven, Conn.

We hand you herewith the following certificates of stock of the Winchester Repeating Arms Co., to-wit:

Certificate No. 1030 in the name of The Winchester Purchasing Co. Trustee for Hannah J. Bennett	2897 shares
Certificate No. 1028 in the name of The Winchester Purchasing Co. Trustee for Mrs. S. L. Winchester	2000 shares
Certificate No. 2198 in the name of The Winchester Purchasing Co. Trustee for Mrs. S. L. Winchester	777 shares
Certificate No. 981 in the name The Hill Estate Inc. assigned to Thomas G. Bennett by The Hill Estate Inc.	5 shares
Total number of shares	5679

accompanied by powers of transfer duly executed.

These certificates of stock shall be held by The Union & New Haven Trust Company for a period of ninety days from March 1st, 1916, under the terms of an option agreement between Thomas G. Bennett of New Haven and The Winchester Purchasing Company, parties of first part, and Kidder, Peabody & Company, Parties of the second part, dated February 17th, 1916, a copy of which is attached hereto, marked Exhibit A and a reference to which is hereby made for a more particular description of the terms hereof. On joint request to you signed by Thomas G. Bennett and The Winchester Purchasing Company, parties of the first part, and Kidder, Peabody & Company, parties of the second part, and made before the expiration of said ninety days from March 1st, 1916, you are directed to return said certificate of stock with the accompanying powers of transfer to said Thomas G. Bennett and The Winchester Purchasing Company respectively.

Should the option to purchase the stock of the Winchester Repeating Arms Company mentioned in said agreement be exercised by Kidder, Peabody & Company within ninety days from and after March 1st, 1916, according to the terms of the said option agreement (said joint request to return said certificates not having been made as aforesaid) you are hereby authorized, empowered and directed to turn over, transfer and deliver to Kidder, Peabody & Company all of said certificates of stock of the Winchester Repeating Arms Company on receipt from Kidder, Peabody & Company of the following sums:

For the account of Hannah J. Bennett	$6,518,250.00
For the account of Sarah L. Winchester	6,248,250.00
For the account of Thomas G. Bennett	11,250.00

which said sums you are hereby authorized, empowered and directed to accept in full compliance with the terms of said option agreement and which sums you shall hold and remit thereon according to the orders respectively of said Hannah J. Bennett, Sarah L. Winchester and Thomas G. Bennett.

The right to vote on all of said shares of stock during said period of ninety days is hereby reserved by the Winchester Purchasing Company and Thomas G. Bennett respectively.

Microcopied from the best copy available.
We have done our best to preserve the legibility of the original.
The Union & New Haven Trust Co.

Should Kidder, Peabody & Company not exercise their option to purchase the stock of Winchester Repeating Arms Company under said agreement, then and in that event at the expiration of ninety days from March 1st, 1916, The Union & New Haven Trust Company shall return to the Winchester Purchasing Company and Thomas G. Bennett respectively all the said certificates of stock of the Winchester Repeating Arms Company, together with the accompanying powers of transfer.

Dated at New Haven this 21st day of February, 1916.

(Signed) THOMAS L. BENNETT)
)
THE WINCHESTER PURCHASING CO.)
)
By (Signed) Thomas G. Bennett)
)
(Signed) Victor M. Tyler)

Directors duly authorized.

The Union & New Haven Trust Company hereby acknowledge having received Five Thousand Six Hundred Seventy-nine (5679) shares of the stock of the Winchester Repeating Arms Co. as described above and agree to hold said shares in accordance with the terms of the within Letter of Instruction.

Dated at New Haven, Conn., this 21st day of February, 1916.

THE UNION & NEW HAVEN TRUST CO.,

By (Signed) W. Perry Curtiss

Vice President.

HENRY T. SCOTT, PRESIDENT
O. ELLINGHOUSE, CASHIER
F. O. COOKE, ASSISTANT CASHIER

JOHN D. McKEE, VICE PRESIDENT
W. F. BERRY, ASSISTANT CASHIER
THOMAS M. PATERSON, ASSISTANT CASHIER

FRANK G. DRUM, VICE PRESIDENT
R. M. SIMS, TRUST OFFICER
PAUL McDONALD, ASSISTANT TRUST OFFICER

Mercantile Trust Company of San Francisco

CAPITAL ONE MILLION DOLLARS
CABLE ADDRESS "MERTRUSTCO"

San Francisco, California, January 2nd, 1917.

Mrs. Sarah L. Winchester,
Route D, Box 47,
Santa Clara-Los Gatos Road,
San Jose, California.

Dear Madam:-

At the request of Mr. S. F. Leib, of San Jose, California, we are sending to you herewith copy of the trust agreement made with you on the tenth day of December, 1909, for Mrs. W. W. Davis.

We are holding the trust property and the unpaid income subject to your instructions.

Very truly,

MERCANTILE TRUST COMPANY OF SAN FRANCISCO,

R M Sims

Trust Officer.

Enclosure.

S/C.

COPY

May 26, 1917

Mrs. Sarah L. Winchester,
Route D, Box 47,
Santa Clara-Los Gatos Rd.,
San Jose, California.

My dear Mrs. Winchester:

Your favor of the 25th inst., enclosing check for $600, just at hand.

I am enclosing you a copy of a letter that I am sending to the Collector of Internal Revenue, which explains itself. As soon as I receive the receipt, I will return the same to you.

As you request, I am crediting you with the remainder of $475.78. I am perfectly content with that amount in payment of my legal services up to date, and hence will not send you any additional bill.

With kindest regards, I remain,

Very sincerely yours,

S. F. LEIB

S. F. LEIB R. C. LEIB

Leib & Leib

ATTORNEYS AT LAW

FIRST NATIONAL BANK BUILDING

SAN JOSE, CALIFORNIA Dec. 12th, 1917.

Mrs. Sarah L. Winchester,
Route D, Box 47,
Santa Clara-Los Gatos Rd.,
San Jose, California.

My dear Mrs. Winchester:

I have just finished the eight modified trust indentures and the one revocation of trust indenture, the eight being trusts in favor of George Leonard Gerard, William Winchester Merriman, William Pardee Sprague, Mrs. Sarah Louise Bugbee Ruthrauff, Mrs. Marian Isabel Marriott, Miss Louise Beecher Pardee, Mrs. Catherine Beecher McLean, and Mrs. Isabel Campbell Merriman, the revocation being of the trust indenture made to Mrs. Davis.

These are simply carbons for you to look over, and if they are all correct please telephone me, and I will take my son, who is a notary public, out with me, and I also will take two duplicate original copies of each of such documents out with me, and you can sign the same, and he will take your acknowledgment, and I will attend to the rest of it; and finally will give you one duplicate original of each of such documents, signed by the respective trust companies, filled out with the dates of their execution inserted therein.

I have your will also ready, but that can be executed as soon afterwards as you are ready; but as Dr. Wayland witnessed your first will, I would like to have him also witness the last one, and likewise for my son to witness the same also. There is no one else at your house who is competent to witness it, inasmuch as every one of them is on your list of legatees. Under the law, they cannot witness your will without they should waive their legacies.

I am sorry I have not had these documents ready before, but as you will see it is quite a big job, and I have been putting everything else to one side for a week to finish it up.

I am glad to assure you I feel perfectly well myself, and hope the same blessing is enjoyed by you.

With very kindest regards, I remain,

Most sincerely yours,

S. F. Leib

S. F. LEIB R. C. LEIB

Leib & Leib

ATTORNEYS AT LAW

FIRST NATIONAL BANK BUILDING

SAN JOSE, CALIFORNIA March 25, 1918.

Mrs. S.L.Winchester,
Route D, Box 47,
Santa Clara-Los Gatos Rd.,
San Jose, Cal.

Dear Mrs. Winchester:

I am herewith enclosing a copy of a letter just received from the Mercantile Trust Company of San Francisco with reference to the interest on the bonds which they hold for you, being the same bonds formerly held by them under the trust for Mrs. W. W. Davis.

The letter shows that the balance now on hand for you is the sum of $1069.28.

I have today requested them to send you their check for that amount. Will you kindly advise me in the course of a few days whether you have or have not received their check, so that I may again take up the matter or dismiss it from my mind, as the state of facts shall dictate?

I am,

Very truly yours,

S. F. Leib

(COPY)

San Francisco, Cal., March 23, 1918.

Mr. S. F. Leib,
First National Bank Bldg.,
San Jose, California.

Dear Sir:-

In reply to your letter of March 22, 1918, we beg to advise you that we paid Mrs. Winchester on January 26th, 1918 Five hundred thirty-five dollars ($535) being semi-annual interest on Twenty-two thousand dollars ($22.000) face value City and County of San Francisco Fire Protection Five Per Cent. Bonds due January 1st, 1918, in the sum of Five hundred fifty dollars ($550) less our compensation of Fifteen dollars ($15).

These bonds were formerly held under the trust for Mrs. W. W. Davis. We hold One thousand sixty-nine and 28/100 dollars ($1069.28), which was the amount accumulated in the so-called Davis Trust subsequent to the death of Mrs. Davis pending instructions from Mrs. Winchester. This amount is derived as follows:

Balance on hand December 1916		$ 30.56
December 21-1916 Received semi-annual interest on $22.000 face value of said bonds		550.00
July 5-1917 Received semi-annual interest on said bonds		550.00
		$1130.56
Less: Paid cost of telegram to New York, January 22, 1917, stopping payment of check forwarded to Mrs. Davis	$ 1.28	
Paid Trustee's compensation for two years ending December 31, 1917	60.00	61.28
		$1069.28

We shall be pleased to receive instructions for the payment of this amount.

Very truly,

MERCANTILE TRUST COMPANY OF SAN FRANCISCO,

R. M. SIMS,

Trust Officer.

S/C.

HENRY T. SCOTT, PRESIDENT
W. F. BERRY, SECRETARY
F. O. COOKE, ASSISTANT SECRETARY

JOHN D. McKEE, VICE PRESIDENT
O. ELLINGHOUSE, ASSISTANT SECRETARY
THOMAS M. PATERSON, ASSISTANT SECRETARY

FRANK G. DRUM, VICE PRESIDENT
R. M. SIMS, TRUST OFFICER
PAUL McDONALD, ASSISTANT TRUST OFFICER

Mercantile Trust Company of San Francisco

CAPITAL ONE MILLION DOLLARS
CABLE ADDRESS "MERTRUSTCO"

San Francisco, California,
March 26, 1918.

Mrs. Sarah L. Winchester,
Route "D" - Box 47,
Santa Clara-Los Gatos Road,
SAN JOSE, California.

Dear Madam:-

Pursuant to instructions from Mr. S. F. Leib, we are enclosing herewith our check payable to your order for Ten Hundred Sixty-nine and 28/100 Dollars ($1069.28), being balance remaining in the account under your trust for Mrs. W. W. Davis.

Please acknowledge receipt, and oblige,

Yours very truly,

MERCANTILE TRUST COMPANY OF SAN FRANCISCO,

R M Sims
Trust Officer.

Enclosure.

JLO:FS

www.historicsites.org

Form 1206

CLASS OF SERVICE DESIRED	
Fast Day Message	
Day Letter	
Night Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Receiver's No.
Check
Time Filed

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

(COPY) August 2, 1918.

A. W. Hooper,
C/o Tuna Club,
Avolon, California.

Have agreed to advise the following plan as being best that we can do in the present emergency. Reply by wire to four twenty three Prospect Street New Haven Connecticut:

Company to issue ten million seven per cent first preferred stock five million six per cent second preferred stock. First preferred to be cumulative and carry voting power if no dividends are paid in any year. No bonds or other obligations running for more than one year shall be issued without consent of two-thirds of the holders of first preferred stock.

Kidder, Peabody & Co. to endeavor to form a syndicate to purchase two million five hundred thousand first preferred two million second preferred for three million five hundred thousand dollars. Old holders to receive seven hundred fifty dollars per share in first preferred. All holders to be asked to deposit under a plan which Kidder Peabody & Co. may declare operative.

Company may retire first preferred at one hundred fifteen. Company may purchase first or second preferred under par at the discretion of the directors.

Form 1206

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Day Letter	
Night Message	
Night Letter	

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WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Receiver's No.
Check
Time Filed

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

This is subject to approval of the War Finance Board and to a determination of its legality.

T. G. BENNETT.

www.historyofmoney.com

Form 1206

CLASS OF SERVICE DESIRED	
Fast Day Message	
Day Letter	
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T. G. BENNETT.

www.history

THOMAS G. BENNETT
423 Prospect Street,
New Haven, Connecticut.

April 5th, 1918.

My dear Sallie:

We were all very much interested yesterday in the ceremony of dedication of the hospital.

It seemed to me appropriate, graceful and dignified. There was a good attendance -- all the hospital board and all those you named.

In talking the matter over with Dan Veader we could not think of anyone left at the shop who knew Will -- thirty-seven years seems to have taken all but ourselves. Aside from those mentioned there were many interested in the object and many soldiers -- patients and attendants. The surgeon in charge told us that there were a few more patients than the building was intended to accommodate. We saw all the appointments and conveniences said by the commandant and the architect to be the best in the world. In my time soldiers were not so well taken care of. To see the elevators, electric lighting, heating, ventilation, sterilizing, cooking, washing and ironing machinery was in itself a liberal education.

I regret you could not have seen it yourself. The gateway (perhaps you have seen a photograph) is fine and I like your tablet also. It is a long time since I wrote you about the shop. The year 1917 was a terrible one; we were all the time facing large debts and handling what for us were enormous sums which came and went leaving little with us.

Near the end of the year our accounts began to show more favorably and a larger business helped to pile up actual gains.

It was not til March that it seemed sure that we could pay half our debt. Last month another million was paid so that we now owe seven million. We have two millions in cash, which we must keep for running expenses, and if it were not for income and excess profit taxes we might pay all our indebtedness this year and go on a dividend paying basis once more. Our sporting business has been good in spite of the double prices we have been forced to charge.

Of course all war matters are uncertain and we do not bargain for contracts. They are as it were orders to do so and so. To decline would probably mean taking over our property.

So far no unfair prices or terms have been imposed. We are now making muskets at the rate of 2000 per day and the light Browning machine gun (now about 100 per day) but soon 400. In October we are expected to stop making these and undertake the making of the Colts automatic pistol at the rate of 3000 per day. This work will net us, or should, large sums, but income and

excess profits taxes will take about 60% and we must give it back to the Government. Poor Win was so used up by the anxiety and the burden of uncertainties as to be near a breakdown. He resigned and I took his place temporarily. As you know he went to bed at once and after a months illness was operated upon for abscess of the liver.

We had a week of great anxiety. His recovery has been rapid however and he is now beginning to go about. The doctors say he should not work for some months.

Jennie wants me to write that the Register account of Dean Browns address is wrong where it uses the name of Bennett in the place of Winchester. Dean Brown made no such error.

Yours

TOM

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Yours

TOM

THOMAS G. BENNETT
423 PROSPECT STREET
NEW HAVEN, CONNECTICUT.

August 18th, 1918.

Mrs. Sarah L. Winchester,
San Jose, California.

My dear Sally:

Since writing you last the matters of the Winchester have progressed favorably so far as our U. S. Gov't. contracts are concerned.

This year we shall make probably 8,000,000 dollars and this sum would with out present cash assets put us nearly out of debt.

Unfortunately new tax laws are being devised and which instead of taking about 48% of our earnings will take 80% of our excess profits over 8% which will leave us quite poor our indebtedness being considered.

To meet this emergency the Directors will probably present to the stockholders a plan about as set out in the telegram copy of which sent to Hooper is enclosed.

The present stockholders will deposit with Kidder, Peabody & Co. at least 90% of their stock under a deed of trust i. e. will be asked to deposit.

If the plan goes through the present stockholders will get for their stock 7½ shares of the new 1st pfd. 7% stock and the Co. will have $3,500,000 in cash not borrowed but invested.

The control of the stock goes to the bankers K.P.& Co.

It seems to me dangerous for the family to keep the control longer.

Win is at a vital time unable to do much. I am 73 years old. The problem is a large matter and I could not advise you or Jane to put more money into it. I fear it will be difficult to borrow next March when our notes come due.

These matters cause me to advise this plan. You will get the formal proposition soon. Meanwhile think it over. I should be glad to have your favorable telegram.

T. G. BENNETT

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T. G. BENNETT

Form 1204

CLASS OF SERVICE	SYMBOL
Telegram	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Telegram	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

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RECEIVED AT

44SF ND 40

NEW HAVEN CONN 1132AM SEPT 17 1918

H W HOOPER

44 HOTEL VENDOME SAN JOSE CALIF

TELEGRAM SIXTEENTH RECD FIRST PREFERRED STOCK WILL BE MADE NONASSESABLE AND WILL BE CLEAR OF LIABILITY EXCEPT SUCH AS ATTACHES TO THE PRESENT STOCK OR THE STOCK OF ANY CONN CORPORATION CANNOT SEE STODDARD TO-DAY WILL TELEGRAPH MORE DEFINITELY TOMORROW

T G BENNETT

1033AM

Wrichuston C (Bennett)

Form 1204

CLASS OF SERVICE	SYMBOL
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Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

52SF ND 50

NEW HAVEN CONN 1206PM SEPT 18 1918

JUDGE S F LEIB

53

SAN JOSE CALIF

FOLLOWING HOOPERS TELEGRAM IT IS CERTAIN THAT FIRST PREFERRED STOCK OF NEW CORPORATION WILL BE NONASSESABLE ON STOCKHOLDERS LIABILITY

IN RESPECT TO THAT STOCK IS POSSIBLE AND NO ASSESSMENT ON THAT STOCK CAN BE MADE THE OPINION OF OUR COUNSEL IS ABSOLUTE PROMPT ACTION IS REQUIRED I WRITE CONFIRMING ABOVE

T G BENNETT

1115AM

Form 1206

CLASS OF SERVICE DESIRED	
TELEGRAM	
DAY LETTER	
NIGHT MESSAGE	
NIGHT LETTER	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT — GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVER'S NO.
CHECK
CASH OR CHARGE
TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

San Jose, Cal., Sept. 21, 1918.

T. G. Bennett,

423 Prospect Street,

New Haven, Conn.

I consent to the proposed agreement if my new stock and myself are both protected as stated in your communications and telegrams that they would be. This however is upon the condition that Judge Leib approves ~~mkk~~ of all proceedings affecting my rights as such proceedings are taken. He will write you more fully Monday.

SARAH L. WINCHESTER.

(Collect)

Form 1204

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

42 F ND 7 1 EX R U S H

NEW HAVEN CONN SEPT 21 1918 11AM

JUDGE S F LIEB

38 SAN JOSE CALIF

TELEGRAM SHOULD READ NO STOCK-HOLDERS LIABILITY

T G BENNETT

1110AM

CLASS OF SERVICE DESIRED	
Fast Day Message	
Day Letter	
Night Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Form 1206

Receiver's No.
Check
Time Filed

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

Thomas G Bennett 423 Prospect St
New Haven Conn -

Message received and I do not see any of further use here & leave tonight. Advise that you further me direct Judge S. P. Lieb Dan Jose. Can you absolutely satisfy him on the two points in question stockholders liability & assessment. Unless you can do this the matter is off. He is looking out for Dallas protection future and incidentally your own which is exactly the same and I agree with him on those two points

A W Hooper

Paid

Winchester (Heroler

S. F. LEIB R. C. LEIB

Leib & Leib
ATTORNEYS AT LAW
FIRST NATIONAL BANK BUILDING
SAN JOSE, CALIFORNIA

April 19th, 1920

Mrs. Sarah L. Winchester,
Menlo Park, California.

Dear Mr. Winchester:

I got home Thursday from Omaha, having been absent from San Jose about ten days.

This afternoon I received the following telegram and immediately telephoned you of the fact, a copy of that telegram reads as follows:

" New York April 19, 1920"

"S. F. Leib
First National Bank Bldg.
San Jose, Calif.

"Shipping Winchester certificates tonight"

"KIDDER PEABODY AND CO."

I do not know whether they are shipping the certificates to you or to me but in any case before we accept the same I would like to see that they have not overlooked having them read exactly as they agreed that they should read.

I remain,

Very truly yours,

S. F. Leib

S. F. Leib R. C. Leib

Leib & Leib

ATTORNEYS AT LAW

First National Bank Building

San Jose, California

September 20th, 1920

Mrs. Sarah L. Winchester
Rt. 2 Box 154
Santa Clara and Los Gatos Rd.
San Jose, California.

My dear Mrs. Winchester:

I was not satisfied with the form that Mr. King sent you with reference to selling Lot 3 in Block 15 of the Seale Addition and therefore have written a new one and am herewith enclosing the same to you.

I would advise you to return the $100 payment so that there will be no question of cancelling the agreement of sale if the terms of such agreement are not complied with. You can either send this to Mr. King yourself or if you prefer you can send Mrs. Marriott with the agreement which I am enclosing after you have signed the same, and also the check and I will write to Mr. King in person and state why we are returning the check. I also wish to tell him that I do not wish him to wait the whole 30 days if the matter can be carranged sooner and that you do not wish anyone to occupy the premises unless the matter is consummated.

With kindest regards, I remain,

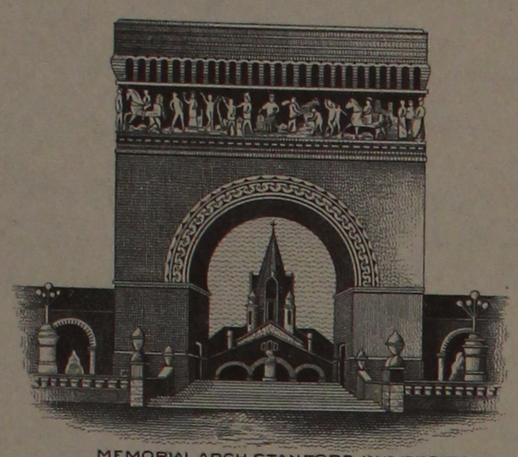
Very sincerely yours,

S. F. Leib

P.S. I am also enclosing you a copy for your own use.

I am just advised by both abstract companies that they have not yet received the Certificate of Title to have it continued down to date. I understood Mrs. Marriott to say that you had delivered it to Mr. King.for the purpose of having it continued. If it has not yet been sent to the Abstract Company kindly advise me and also advise me who has the same. If you still have it please send it to me and I will myself send it to the Abstract Company.

S. F. L.



MEMORIAL ARCH STANFORD UNIVERSITY

No 7069

The First National Bank

OF PALO ALTO.

M. A. BUCHAN, President.
D. W. BUCHAN, Vice Pres't.
C. E. JORDAN, Cashier.
L. P. HOPKINS, Ass't. Cashier.
ELI KING, Ass't. Cashier.

Palo Alto, California

September 30, 1920

Mrs. S. L. Winchester

Menlo Park, Calif.

Dear Madam:

I am in receipt of the contract to purchase lot #3 in block 15, Seale Addition to Palo Alto, for $4500 from yourself to May W. King and find the same to be satisfactory.

I have sent the certificate of title to San Jose Abstract Co. for continuation and find that the title is satisfactory. I am inclosing the bill for same.

In regard to drawing the ~~title~~ deed do you prefer to have Judge Leib to do it, or shall I prepare it myself.

Yours very truly,

Eli King

www.historysanjose.org

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ATTORNEYS AT LAW

FIRST NATIONAL BANK BUILDING

SAN JOSE, CALIFORNIA

October 25th, 1920

Mrs. Sarah L. Winchester
Rt. 2 Box 154
Santa Clara and Los Gatos Rd.
San Jose, California.

Dear Mrs. Winchester:

We are holding the papers in the matter of the King sale until we receive from you a statement of the amount of the taxes of the City of Palo Alto.

In sending the statement please inform us of the following three items:

1st: Assessed value of real property and improvements.

2nd: Assessed value of personal property.

3rd: Amount of tax paid for the year 1920-1921.

It is necessary that we have these three amounts in order that we may determine the amount for which you are to be reimbursed by Mr. King, as, of course, he is not expected to pay any part of the tax on personal property. This information Miss Sivera was to telephone but has not as yet done so.

Very truly yours,

S. F. Leib

S. F. Leib R. C. Leib

Leib & Leib
ATTORNEYS AT LAW
First National Bank Building
San Jose, California

Rec'd Nov-9-1920

November 8th, 1920

Mrs. Sarah L. Winchester
Menlo Park, California

Dear Mrs. Winchester:

We are herewith enclosing to you an Investment Certificate of the Palo Alto Mutual Building & Loan Association for $4500 payable to you, (together with interest thereon at the rate of 6% per annum), on January 15, 1921. This amount represents the sale price of the Palo Alto property which you sold to Mrs. King.

We are also enclosing the draft of the Bank of Palo Alto for $55.90 which is made payable in your favor. This sum represents the share of the taxes on the Palo Alto property which you have just paid pro rated in accordance with the terms of the sale agreement and which amount we have had Mr. King refund.

$55.19 and not 55.90

We have ourselves advanced for the purpose of closing the transaction $4.50 for a Revenue Stamp to be attached to the Deed and $15.00 to pay the San Jose Abstract & Title Co. for the Certificate of Title which it was necessary for you to furnish under the terms of the sale agreement. The sum of the latter two amounts $19.50 you may return to us at your convenience.

The $15.00 for the Certificate of Title was earned by them, so far as we are aware, by examination of all the records from the date of your prior certificate down to the deed of the present one. We have not seen the last one but assume that nothing had transpired in the meantime affecting the title.

Would you kindly acknowledge receipt of the draft and investment certificate so that we can close our files as to this particular matter.

Very respectfully yours,

S. F. Leib

COPY

Hotel Lenox
Boston, M.
Mch. 2, 1921

Hon. S. F. Leib
San Jose, Calif.

My dear Mr. Leib:

Your favor Feb. 21st was duly received and the matter duly considered. I am really not well informed about the matters of the Co. as I do not attend the Directors Meetings. I was therefore at a loss how to reply and thought best to go to New Haven, which I did Monday, to attend Directors Meeting of that day, 28th. On consulting with Mr. Bennett and Mr. Otterson on arrival I was shown wires from Mr. Brewer in which he said that you had advised Mrs. W's consent to the revised proposal of a smaller amount of Bonds and without the guarantee of the Winchester Co. so that it would seem that the matter was settled as far as your client was interested. I showed them your letter and it was admitted that your objections as stated at bottom of 1st page of your letter were correct.

You ask for information as to the future. That I cannot give. Business has fallen off sadly since Nov. last. The force has been cut to the limit, wages reduced and no overtime except a little in fishing rod business. Orders are coming in well and if business picks up as it now seems it will I believe they will come out all right. It has taken a great deal of cash to start all the new lines they have taken up, and they are not full established with the retail trade yet.

Sorry I cannot give more information. My regards to your son.

Yours truly,

A. W. HOOPER

Your letter was only 2½ days
San Jose to Boston.

F. F. LEIB R. C. LEIB

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March 7th, 1921

Mrs. Sarah L. Winchester
Menlo Park, California.

My Dear Mrs. Winchester:

This morning I received an answer from Mr. A. W. Hooper to my letter to him of February 21st, a copy of which I sent to you. I am herewith enclosing a copy of his letter which I have just received which explains itself.

It makes me feel much better and also much safer for the future that they seem to appreciate the danger I pointed out in my letter to them of February 21st; at least I judge so because Mr. Hooper states as follows concerning my letter of February 21st to him:

> "I showed them your letter and it was admitted that your objections as stated at bottom of first page of your letter were correct."

My letter of February 21st which he refers to reads as follows:

> "If the Winchester Repeating Arms Company is unable to meet its obligations in paying those bonds as they mature, and if the bond holders hold the written agreement of The Winchester Company to pay the same, then suit could be brought upon such promise the same as if the promise were in the form of a promissory note and without any necessity of foreclosing the mortgage. Nothing would prevent a judgment being obtained against The Winchester Company for the amount unpaid, and the result would necessarily be that an execution could be issued against The Winchester Company and its property be sold for the payment of such bonds, including the stock of the Winchester Repeating Arms Company held by The Winchester Company. This would strip The Winchester Company and its stockholders of virtually all of its property."

I hope, and in fact believe, that we will have no further trouble in the matter. This being so, if agreeable to you, I would like for us to determine the amount of fees which you think I have

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earned in this matter, provided you go upon the assumption that your shares in The Winchester Company have been protected by reason of my efforts and services in your behalf.

If, however, in view of your health or for any other reason,you desire that this matter be delayed to a later time and will write me a short note to that effect stating when you expect to be able to take up the matter, I will very gladly consent to your wishes in that regard. Would you also state in your note which way you prefer to take up that matter, orally or by correspondence.

I remain,

Very sincerely yours,

www.historicmodelhomes.com

S. F. LEIB R. C. LEIB

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SAN JOSE, CALIFORNIA

April 6th, 1921.

Mrs. Sarah L. Winchester,
Menlo Park, California.

My dear Mrs. Winchester:

The next day after my conference with you, on last Thursday, the 31st ultimo, I immediately started to see whether the certificates of stock had been issued in accordance with the agreement which I had, on your behalf, made with the Eastern parties. I think you have all, or certainly most, of the correspondence that had passed between them and myself concerning that matter.

In making such examination, I found it a much longer undertaking than I had anticipated, but have now come to a conclusion in the matter.

From such examination, I am satisfied that all the agreements made in your behalf, as to what your rights should be, are secured to you as agreed upon.

I dictated to my stenographer all the matter printed on the face of the certificates of stock and then, during the succeeding days, have compared the same with the previous correspondence and agreements between myself and the Eastern parties. I am sending you a copy of such matter printed on the face of each certificate of stock.

I refreshed my memory by reading substantially all of the correspondence, and now, for your convenience, I will refer to the same in this letter, so that you also can see if it agrees with your understanding as to their having inserted on the face of the certificates of stock the matters which were intended for your protection and benefit.

FIRST:

In the proposed agreement, dated September 24th, 1918, and submitted to you by the committee of the stockholders of the Winchester Repeating Arms Company, to wit: Thomas G. Bennett, George E. Hodson and James T. Moran, but which was evidently prepared, in whole or in part, by the parties who were proposing to take over the assets of that company, it was stated as follows:

> "AND WHEREAS, a corporation is about to be organized under the laws of the State of Connecticut, or other suitable jurisdiction ... "

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Before considering the words "or other suitable jurisdiction", I wish to state that I remember that you very strongly objected to being made responsible as a stockholder for any of the debts then existing or to be in future incurred by either the existing corporation or the future corporation to be formed. As to whatever property you already owned, other than your interest in the Winchester Repeating Arms Company, Incorporated, you desired to be very fully and clearly protected against paying out any of your money for any liability as a stockholder in the Winchester Company.

The Winchester Repeating Arms Company, Incorporated, was formed under the laws of the State of Connecticut, and those laws expressly provided that no stockholder's liability should exist for the debts of the corporation; and such law still exists in the statutes of the State of Connecticut. You may remember I sent you a copy of the laws of Connecticut dealing with that matter, which I examined in the Law Library at San Francisco.

Now while that is true in Connecticut, it is not true in the laws of most of the other states,--not even in the State of California. I therefore was very particular not to have the words "or other suitable jurisdiction" remain, because those words amount only to the same as though the expression had been "under the laws of Connecticut or under the laws of any other state". It was therefore agreed that those words "or other suitable jurisdiction" should be left out, and I find they were left out in the incorporation of the Winchester Company. So you are fully protected in that regard.

SECOND:

In such proposed agreement so submitted to you it was provided that the first preferred stock should be redeemable "at the option of the new company at any time and from time to time, in whole or in part, at 115% of the par value thereof"; but that upon disincorporation the first preferred stock should only receive the full par value thereof. No provision was inserted that if there were more assets than would pay more than one hundred cents on the dollar upon all the stock, the preferred stock should receive anything above par.

I objected to this on the ground that it seemed to me to be only fair that, in case the company should be compelled to

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go into liquidation, especially if no substantial increase of property had been made in the meantime, then, and in that case, if after the old stockholders had received their seven and one-half millions of dollars, and all the other stockholders had received in full all the money they had put into the concern, that then it would be only right that all the stockholders should proportionately share any surplus still remaining, if any surplus there should still remain.

To this they objected, and after full consideration thereof we concluded that if there should be any surplus on winding up the affairs, we would be content to receive the one hundred cents on the dollar on the preferred stock before any other payment could be made to any other person whatever, and we would not be entitled to any more; this was finally agreed to and appears upon the printed face of the shares of stock which they have sent you.

THIRD:

The third objection was to a part of the following provision, which we quote from the proposed agreement:

> "It shall be provided that the new company may, in the discretion of its Board of Directors, at any time and from time to time purchase all or any part of said first preferred stock or said second preferred stock at the time issued and outstanding, at par or less, and retire any amount so purchased, or otherwise dispose of the same as may be permitted by law."

In addition to our seven and one-half million dollars of preferred stock, there was to be issued also two and one-half additional million dollars of preferred stock; and also there was to be issued at least two million dollars of second preferred stock.

I objected to this proceeding because if thereafter the corporation would get into doubtful financial condition the provision above objected to would permit those controlling the corporation to buy at the full par value of one hundred cents on the dollar such amount of the preferred stock from such stockholders as it might prefer, and might thereby exhaust the assets of the corporation to such an extent as would leave an insufficient amount of the assets of the corporation to pay

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the first preferred stockholders one hundred cents on the dollar, or possibly any other amount, depending on how much remaining assets might then be left.

Against my objection to the insertion of such a provision, which might have such disastrous results to you and other stockholders, similarly situated, there was the biggest fight of all. I insisted that there should be none of the assets turned over from the old company to the new company that should be used for any such purpose, inasmuch as the same could thus be used unfairly; but that if such a plan should be adopted such purchases could only be made out of the future earnings of the company.

After a great deal of correspondence, as you may remember, it was agreed that that provision should be made harmless by the fact that only the future earnings of the concern could be used in making such purchase; and such change was made by amending such clause above quoted so as to read as follows:

> "At such time or times as the corporation is free from debts other than current liabilities and has on hand surplus earnings arising from its business in excess of what is necessary to reserve in order to meet current liabilities, the corporation may, in the discretion of the Board of Directors, with such surplus earnings, purchase all or any part of the first preferred stock or the second preferred stock at the time issued and outstanding, at par or less, and retire any amount so purchased, or otherwise dispose of the same as may be permitted by law."

This amendment, thus inserted, precludes any purchase of the first preperred stock or the second preferred stock being made at any time, or in any way which would deplete the assets of the corporation which was not a part of the earnings and surplus of the corporation, or which was a part of the assets, or the result of the assets, turned over by us upon receiving our preferred stock.

FOURTH:

It also was provided in the proposed agreement submitted to us as follows:

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"Said first preferred stock and said second preferred stock shall be entitled to such other privileges and be subject to such other limitations as shall be determined by the new company and approved by the committee hereinafter mentioned."

To this we objected on the ground that such language would give the committee the power to give such additional privileges as it saw fit to the second preferred stock, and would give it the power to subject our first preferred stock to such other limitations as it might see fit; so it was agreed that such provision should be left out, and it has, as you can see, been omitted.

FIFTH:

There was nothing in such proposed agreement which, if only a part of the preferred stock should be redeemed at $115, prevented the parties controlling the corporation from arbitrarily selecting the particular shares of the preferred stock that should be redeemed, but allowed them to arbitrarily select such stockholders as might desire to be thus favored.

To this I objected, and it was finally agreed that if a part only of such preferred stock was thus redeemed, then that part was to be ascertained "by pro-rating" in such manner as the Board of Directors should determine, so that each owner should on his or her preferred stock receive a pro-rata of such redemption according to the amount owned by him or her.

The foregoing are the chief matters that we were fighting over for about a year and a half, or even more, and then the stock was, after a delay of some months, sent to you in my care, to be delivered to you upon your signing a receipt therefor. It was just a year ago this month that I received the same, but until last Thursday you did not feel able to take up the matter of receiving and receipting for the same, because of your physical suffering, which I know has been very great during that time.

After thinking that everything had been agreed upon, and that the only further matter required to be done was for me,

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as soon as you felt physically able to again take up the matter, to take from my vault the sealed package containing your certificates of stock, and take them to you so we could see that they were all sent, and then to compare and see whether the same faithfully complied with the agreement between yourself, acting through me, with the company, I received, on February 2nd last, a telegram that the Vice-President of the Winchester Arms Company was planning to leave the next morning, to arrive at my office February 8th, to confer with me regarding certain financing plans, and asked me to wire if that would meet with my convenience.

When he arrived, I found that the proposition involved the consent of the stockholders of the Winchester Company, (which owns the stock of the Winchester Repeating Arms Company), to consent to the Winchester Repeating Arms Company issuing ten million dollars worth of bonds to take care of its indebtedness which had been incurred since the formation of the Winchester Company.

The creation of this great indebtedness was of itself rather a shock to me, and doubtless to you also; but the indebtedness, having been created, had to be paid, and I could see no better way than by the issuing of a sufficient amount of bonds to take care of the same, and at my suggestion you signed such consent; but you did not sign the paper they had prepared.

They not only asked your consent to the issuing of the bonds, but they asked you, as the largest stockholder of the Winchester Company, to sign a consent that the Winchester Company, (which owned the shares of the Winchester Arms Company), should sign a guaranty that it guaranteed the payment of the bonds, if the Winchester Arms Company did not pay them when they fell due. The bonds no doubt then read, since we know that all such bonds do read, that if the interest on the bonds is not paid at all times as such interest falls due, that the principal of the bonds also becomes immediately due. Had the stockholders of the new company signed the agreement to guarantee the payment of these bonds when they fell due, and if then the Winchester Arms Company did not choose to pay the interest as it fell due, then you would have been in this predicament: The guaranty would be a direct promise of the Winchester Company to pay the bonds upon default of the Winchester Repeating Arms Company to pay them when they or their interest fell due, and if the Winchester Repeating Arms Company should make default in making

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such payment as such payments fell due, then the Winchester Company would have to keep its promise and pay them out of its own property; and this irrespective of whether any proceedings were or were not taken by the bondholders against the Winchester Repeating Arms Company to foreclose the mortgage given to secure the payment of the bonds. There would not be, as we have said, any necessity for the bondholders bringing a suit to foreclose their mortgage, since they could bring a simple suit on this guaranty against the new company and obtain a judgment against the Winchester Company and have an execution issued upon such judgment, and have all the property owned by the Winchester Company sold under such execution, including the stock of the Winchester Repeating Arms Company, which is owned by the Winchester Company, and which, if sold, would render your shares in the Winchester Company absolutely valueless.

Of course I am not stating what would have been done. I am only stating what could have been done, if you had signed that guaranty. The bondholders upon such judgment could have immediately sold the stock of the old company, which it owned; and then the stockholders of the new company would have had nothing left that was owned by the old company.

The transfer under such sale of the stock of the old company owned and held by the new company to the purchaser at such execution sale would leave the new company without the ownership of any part of such stock now owned by the Winchester Repeating Arms Company. In other words, on the personal guaranty which it was desired to obtain from the Winchester Company, the Winchester Company and all its stockholders would lose all their interest in all the property which the Winchester Company owned, if the Winchester Company was compelled to keep its promise and make good its guaranty.

I had to take, and did take, a very decided stand against allowing you to sign any consent that the Winchester Company sign any guaranty of the kind.

As I have said, I am not claiming that anyone who would have profited by the happening of any of these dangers would have sought to cause any of such dangers to happen, or would even have voluntarily permitted them to happen. What I do claim, however, is that in all these matters it was not only my duty to protect you from losses which, in the absence of such protection, were bound to happen, but I was equally bound

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to protect you, (to the very best of my ability), from dangers that could happen, unless I made it impossible for them to happen. And this I have done my very best to accomplish.

In an accompanying letter to you of this date, I am taking up another matter which was also mentioned in our conference on last Thursday.

I am making this report somewhat fully, in order that you may thereby be the more fully informed concerning the same.

I remain,

Very sincerely yours,

S. F. Leib

SFL/B

(Copy of printed matter on face of each certificate of stock.)

No. F208

FIRST PREFERRED STOCK. This is to certify that ..... is the owner of one hundred fully paid and non-assessable shares of the par value of One Hundred Dollars ($100) each of the first preferred stock of the Winchester Company, transferable on the books of the corporation by the holder hereof in person or by duly authorized attorney upon the surrender of this certificate properly endorsed.

The first preferred stock of the corporation is fixed and limited to Ten Million Dollars ($10,000,000) in par value. The first preferred stock shall be entitled to dividends at the rate of seven percentum (7%) for each and every fiscal year and no more, payable out of the net profits or surplus of the corporation semi-annually on such dates as may be determined by the Board of Directors in preference to and before any dividends shall be declared or set apart or paid upon the second preferred stock or upon the common stock. Such dividends upon the first preferred stock shall be cumulative, so that if the corporation shall fail in any fiscal year to pay such dividends upon all the first preferred stock then issued and outstanding, such deficiency shall be fully paid or set apart for payment before any dividends shall be declared or set apart or paid upon the second preferred stock or upon the common stock.

After the current dividends upon the first preferred stock and all dividends thereon then accrued and unpaid shall have been declared and paid or set apart for payment, the second preferred stock shall be entitled to dividends at the rate of six per centum (6%) for each and every fiscal year, and no more, payable out of the net profits or surplus of the corporation then remaining quarterly, semi-annually or annually, and on such dates as may be determined by the Board of Directors, in preference to and before any dividends shall be declared or set apart or paid

upon the common stock. Such dividends upon the second preferred stock shall be non-cumulative, so that if the corporation shall fail in any fiscal year to pay such dividends upon the second preferred stock then issued and outstanding, such deficiency shall not be paid or set apart for payment out of the net profits of the corporation for any subsequent year or years. Except as hereinafter provided, neither the first preferred stock nor the second preferred stock shall be entitled to participate in any other or additional earnings, profits or surplus of the corporation, but after all current dividends upon the first preferred stock and all dividends thereon then accrued and unpaid shall have been declared and paid or set apart for payment, and after all dividends upon the second preferred stock for the current fiscal year shall have been declared and paid or set apart for payment, dividends in the discretion of the Board of Directors may be declared and paid upon the common stock out of the net profits or surplus then remaining.

In the event of the dissolution or liquidation of the corporation, or a sale of all its assets, whether voluntary or involuntary, or in the event of its insolvency or upon any distribution of its capital, there shall first be paid to the holders of the first preferred stock the par value thereof, to wit: One Hundred Dollars ($100) per share, and the amount of all dividends then accrued and unpaid in preference to and before any sum shall be paid or any assets or funds distributed to or among the holders of the second preferred stock and the common stock, and out of the assets and funds of the corporation then remaining there shall next be paid to the holders of the second preferred stock the par value thereof, to wit: One Hundred Dollars ($100) per share in preference to and before any sum shall be paid or any assets or funds distributed to or among the holders of the common stock, and after the payment to the holders of the first

preferred stock of the par value thereof and of all dividends thereon then accrued and unpaid, and after the payment to the holders of the second preferred stock of the par value thereof, the remaining assets and funds of the corporation shall be paid and distributed ratably to and among the holders of the common stock.

At any time and from time to time, in the discretion of the Board of Directors, upon thirty (30) days notice by mail to the holders thereof, all or any part of the first preferred stock may be redeemed by the corporation by the payment to the holders thereof of One Hundred Fifteen Dollars ($115) for each share so redeemed, with accumulated and unpaid dividends thereon to the date fixed for such redemption, and all or any part of the second preferred stock may be redeemed by the corporation by the payment to the holders thereof of One Hundred Dollars ($100) for each share so redeemed, with unpaid dividends thereon for the current fiscal year to the date fixed for such redemption, provided that in case less than all of the shares of the first preferred stock then issued and outstanding, or less than all of the shares of the second preferred stock then issued and outstanding are to be redeemed, the shares of the respective class of stock so to be redeemed shall be ascertained by pro-rating in such manner as the Board of Directors shall determine.

No mortgage or other indebtedness maturing later than one year after being incurred shall be created by the corporation without the consent of the holders of two-thirds in amount of the first preferred stock then issued and outstanding, and without the like consent of the corporation shall not cause or permit any mortgage or other indebtedness maturing later than one year after being incurred to be created by any other corporation the majority of the capital stock of which then issued and outstanding shall be owned or controlled by this corporation.

Equal voting powers shall attach to each share of the One Million Dollars ($1,000,000) in par value of the common stock first to be issued, or any reissue thereof, and every holder of any part thereof shall be entitled to one vote for every share of said One Million Dollars ($1,000,000) in par value of common stock first to be issued, or any reissue thereof, standing in the name of such stockholder on the books of the corporation, and only said One Million Dollars ($1,000,000) in par value of common stock first to be issued, and any reissue thereof, shall have voting powers, and the remaining common stock and the first preferred stock and the second preferred stock shall not be entitled to any voting powers except as expressly conferred by law, and except that after the full cumulative dividends on the first preferred stock then issued and outstanding shall be unpaid and shall have at any time accumulated in excess of seven per centum (7%) of the par value thereof, the first preferred stock shall have full voting powers, except as to the redemption of said first preferred stock.

At such time or times as the corporation is free from debts other than current liabilities, and has on hand surplus earnings arising from its business in excess of what is necessary to reserve in order to meet current liabilities, the corporation may, in the discretion of its Board of Directors, with such excess surplus earnings purchase all or any part of the first preferred stock or the second preferred stock at the time issued and outstanding at par or less, and retire any amount so purchased or otherwise dispose of the same, as may be permitted by law.

This certificate is not valid unless countersigned by the transfer agent and registered by the registrar.

Witness the seal of the corporation and the signatures of its duly authorized officers affixed this April 17th, 1920.

_____
Assistant Treasurer.

_____
Vice- President.

Countersigned April 17th, 1920.

_____
Transfer Agent.

Registered April 19th, 1920.

MERCANTILE TRUST COMPANY,
Registrar

By _____
Assistant Secretary

S. F. LEIB R. C. LEIB

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FIRST NATIONAL BANK BUILDING

SAN JOSE, CALIFORNIA

April 6th, 1921.

Mrs. Sarah L. Winchester,
Menlo Park, California.

Dear Mrs. Winchester:

Referring to the last clause of my letter of this date, I am now taking up the question which you asked me to put in writing when the matter was mentioned at our last conference.

In that conference, the matter was mentioned as to what my compensation should be. In that conference you spoke of wishing to consult a letter that you had received from me with reference to some payment you had made me as being in full payment of legal services I had performed for you up to the date of such letter. You doubtless remember that I then told you that such payment and letter were previous to the beginning of the proposed Winchester re-organization matter that I have discussed in my letter to you of this date, and hence could have had no reference to my subsequent services performed by me in such subsequent matter.

I looked up the letter when I came home, and I found the one to which you doubtless referred, and you will find therefrom that my statement is correct. I was enabled to find such letter to you, (which was nearly four years ago), by looking under the entries of receipts in my bank books, and I found under the date of May 26th, 1917, the following entry of a deposit:

"May 26, 1917 ..... $600."

In all my deposits I always make an entry from whom the deposit was received and why and for what purpose it was made. I find the entry in this case, like all other entries, between the date and the amount of the deposit, as follows:

"Mrs. Winchester $124.22 for her
income tax; $475.78 for my fees
to date."

I wrote you the letter above referred to on the same day of receiving such deposit, and which you undoubtedly have, and will now know under what date to look for it. I am enclosing a copy of the same herewith. That letter, you will notice, is in the early part of the year 1917, and probably over a year previous to the time notice came to either of us of a contemplated re-organization of the Winchester Repeating Arms Company, or of a contemplated formation of a new contemplated Winchester Company.

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The first entry I find in any of the files concerning the Winchester Company was in the year 1918. The first letter that I find in any of my files concerning Mr. Bennett, (either letters received or sent), was my letter to you of September 17th, 1918, a copy of which I am herewith enclosing to you. That letter refers to letters that Mr. Bennett had written to you and which you had sent to me, and which I was returning to you, all of which are subsequent to August 1st, 1918, excepting the first, which reads as follows:

> "I am herewith enclosing the following original letters of Mr. Thomas G. Bennett to you, with papers noted as being enclosed therein, namely:
>
> 1st. Letter dated April 5th, 1918, mailed April 5th, 1918."

As I was re-enclosing it to you, you can probably find it and see whether it had any reference to the Winchester Company. In any case, you will notice it was dated nearly a year after the entries in my bank book which I have quoted.

I notice that Mr. Hooper arrived here I think on the second day of August, if I remember correctly from my examination of the letters. But in any case, I can assure you that the entry of the $475.78 noted in my bank book as being received on May 26th, 1917, had no reference whatever to anything that I did in the matter of the Winchester Company.

In this connection, I wish to state that my bank book shows that after May 26th, 1917, you paid me $1,000, of which $500 was paid on April 22, 1919, and $500 of which was paid on April 25, 1919.

On April 22, 1919, the entry of the deposit reads as follows:

> "April 22, 1919 ..... $15,500."

and in the space between the date and the amount my notation was made as follows:

> "$15,000 for Victory bonds for Mrs. Winchester
> $500 on account of my services."

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The entry of the deposit made on April 25th, 1919, reads as follows:

"April 25, 1919 ..... $10,500."

In the space between the date and the amount my notation was made, as follows:

"$10,000 for bonds for Mrs. Winchester
$500 on account of my services."

All these three deposits, the $600 deposit, the $15,500 deposit and $10,500 deposit, were made through checks to me of those respective amounts by Mrs. Winchester. I paid out for her account by reason of such deposits the following, as quoted from my stubs of my check books of those respective dates, as follows:

Of the $600 check, the following notation on my check book stub reads as follows:

"No. 8093 $124.22
Date May 26th, 1917
Order of John M. Platt, Collector
Internal Revenue
For Mrs. Winchester's income tax."

The stub of my check book on account of the $15,500 deposit reads as follows:

"No. 9229
April 22nd, 1919
Order of First National Bank of San Jose
For payment of $15,000 subscription to
Mrs. Winchester for "Victory" bonds
of the United States. Her ck recd
by me yesterday and cashed by me
today for $15,500, of which $15,000
for the bonds and $500 was on account
of legal services.
$15,000."

The stub of my check book on account of the $10,500 deposit reads as follows:

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"No. 9232
April 24th, 1919
Order of the First National Bank of San Jose
For purchase of $10,000 Victory Liberty Bonds
for Mrs. Winchester (recd her ck this day
for $10,500, of which $10,000 was for
bonds and $500 to apply on my account for
legal services).
$10,000."

These respective entries on the stubs of my checks were made by me at the time such check stubs bear date.

In mentioning my fee as being one per cent for the time and labor that I spent in the matter of the Winchester Company, and of the responsibility I took, considering the amount, and for what I hope I have accomplished for your security and benefit by reason of my labors, I thought I was placing the amount of one per cent as an extremely reasonable figure, and I still think so. It is a very much less rate than is usually charged, either by myself or by others. I have received as individual fees, (and I thought earned them), as high as $60,000 in my practice. One fee was fixed by the Court, without any suggestion whatever by me as to what I thought it was worth, at $15,000, and it did not involve one-quarter of the labor nor one-tenth of the responsibility that is involved here. Another was fixed by the Court, without any suggestion whatever, at $22,500.

As a matter of curiosity, I figured out how long it would take the interest now being paid on the amount which I did my best to have made as safe as possible for you and for those to whom you intend to give the same. The amount is 20827½ shares, or $2,082,750. One per cent thereof is $20,827. It would take a little less than one month and twenty-three days for the interest to pay that amount in full.

My dear Mrs. Winchester, in closing, I wish to say this: I do not wish you to feel for a moment that I am charging more than what I honestly believe I have earned, and to which I am fairly entitled. If, nevertheless, you have the slightest feeling to the contrary, I beg of you to say so and to fix the amount yourself.

I am told that the first preferred stock is selling

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at around 90 per share. But I think that is by reason of the present depreciation of all stocks. I believe the stock is worth its full par value. In proof of this, if you would rather pay me in stock at its full par value, you are at perfect liberty to do so.

I remain,

Very truly yours,

S. F. Leib

SFL/B

S. F. LEIB R. C. LEIB

Leib & Leib

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SAN JOSE, CALIFORNIA

April 13, 1921.

Mrs. Sarah L. Winchester,
Menlo Park, California.

Dear Mrs. Winchester:

On the 11th inst. I received two checks from you, one for $25,530.35, drawn on J. P. Morgan & Company of New York, for the purpose of transmitting the same to the Internal Revenue Collector for the payment of the balance of your income tax for the past year, and another check for $20,827, drawn on J. P. Morgan & Company for the purpose of paying for the services rendered by myself in the matter of the re-organization of the Winchester Company and for advising you as to issuing your consent to the Winchester Repeating Arms Company issuing bonds to the extent of seven million dollars upon property owned by such company, both of such checks being drawn in my favor.

I am herewith enclosing you the receipt of myself and of Roy and of the firm of Leib & Leib for such last named check in payment in full of all services rendered to you by us, or either of us, up to this date, together with our thanks.

I cashed the two checks and deposited the same in the First National Bank of San Jose, and have drawn a check in favor of the Collector of Internal Revenue at San Francisco for the sum of $25,530.35, to be applied in full payment of your taxes due the Government for the past year. I have had my check for such $25,530.35 certified, and will send it to the Collector of Internal Revenue with instructions to use the same for the payment of the balance of your Internal Revenue taxes due the Government, and request him to send me a receipt therefor.

As I wrote you in transmitting my notice of the $25,000, I transmitted for you to the Collector in March, I requested him to send a receipt, but I advised you he probably would not attend to writing out and sending me a receipt short of a couple of weeks thereafter. It has now been nearly a month, and I still have not received it, and probably this one will receive the same treatment, but I will transmit the same to you in each case as soon as I receive them. I am advised by the bank that the first check was cashed by the Collector on March 15th.

I remain,

Very truly yours,

S. F. Leib

Copy

Menlo Park April 11 1921

Hon D. F. Leib
San Jose California

My dear Judge Leib

Mrs. Winchester is herewith enclosing two checks on J. P. Morgan & Co — one for $25.530.35 to pay the Balance of her Income tax for the year 1920 and asks if you will please send the Collector of Internal Revenue your personal check - The other check is for $20.827.00 the amount due you for your services in the Winchester Matter

With kindest regards from Mrs Winchester.

Sincerely yours